

America, every penny they earn is their money, and we tax them for part of it.

Just in case there is some injustice under present pension laws—I admit there are injustices in present pension laws. The Senator from Florida, Mr. GRAHAM, and I have introduced legislation to correct some of those inequities and particularly to correct some of those inequities to benefit the very low-income wage earners to whom Senator KENNEDY is saying we do not give enough credit.

Before this Congress is done, hopefully even before the first bill gets to the President of the United States, we will have passed some tax legislation to take care of some of those inequities in the pension laws of the United States, plus the fact that we had legislation out of our committee last year that increased the \$2,000 IRA limit to a \$5,000 IRA limit.

I want to get back to the reason for having this \$1 million cap on individual retirement accounts, that anything over that is not protected from the creditors.

Let's get it clear: Below \$1 million is protected from the creditors in bankruptcy court. I quote from President Clinton's administration in their support of the concept of the cap. This is last year's legislation as we were discussing this issue then. The Department of Justice said:

A debtor should not be able to shield abundant resources from creditors, including Federal, State, and local governments, in the form of retirement savings.

I quote from the Securities and Exchange Commission:

We have seen insider traders do their trading through IRAs and fraud participants stash their profits in their IRAs. The State law exemptions have not defeated our Federal statutory claims to date, but a new Federal exemption could do so. I am concerned about the grave potential abuse that the exemption for all retirement assets from bankruptcy estates poses.

That is a letter from Judith R. Starr, assistant chief litigation counsel, Securities and Exchange Commission, to members of my staff.

The Department of Labor:

A fresh start is not meaningful if it requires a debtor to accept an impoverished retirement. However, a debtor should not be able to inappropriately shield resources from creditors, including Federal, State, and local governments in the forms of retirement savings.

That is a letter from the Secretary of Labor to Senator HATCH, April 14, 1999.

On the other hand, there are those among my colleagues across the aisle who oppose the \$1 million IRA cap that would prevent, to some degree, the rich from shielding wealth from creditors in an IRA. In my view, a wealthy debtor should not be able to shield large amounts of wealth from creditors in an IRA or in a home.

The compromise provisions in the bill that we worked out with members

of the other party last year make important improvements over current law and should be retained.

Accordingly, I urge my colleagues to oppose the effort to strip out the individual retirement account cap. I yield the floor.

THE PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, there may be others who want to speak on other matters. As I mentioned earlier, the IRA was developed as a retirement account basically for working families. The majority of those who contribute are individuals who earn less than \$30,000 a year. These are the people who are putting in only a couple thousand dollars. They are limited over a lifetime. You put the cap there. The retirement program has historically been out of the reach of the credit card companies and the bankruptcy courts, the retirement savings.

Now for the first time we are seeing an intrusion on that. There is a cap. It is not being put in for the 401(k), basically the high rollers. If you are not going to put it in for the 401(k)'s, you should not put it in for the retirements for the working families. We will have a commingling of the funding and there is a good chance there will be an additional burden and cost in terms of the IRA. It doesn't make a great deal of sense.

I thank my friend from Iowa. As always, he is a friend and I enjoy working with him on many different matters. I will study more closely his pension legislation this evening and give it a good deal of additional thought.

THE PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I make crystal clear when we talk about \$2,000 and \$10,000 and \$30,000, as the Senator from Massachusetts has, it sounds as if we are just clamping down on people who should be getting a fresh start in chapter 7 instead of being chapter 13 with ability to repay.

I make very clear the first \$1 million is exempted. That causes a problem for the Senator from Massachusetts. I am embarrassed to present a bill to the Senate of the United States that says a millionaire is going to be protected from bankruptcy court if he can pay his bills.

Now the Senator from Massachusetts raises a very legitimate point. There could be a catastrophic illness that could eat up a lot of the money, even \$1 million, presumably. We have even taken that into consideration; that is, we have an interest of justice exception that would be applicable in this case. So something over \$1 million could be exempted. I hope the Senator from Massachusetts realizes we have gone through this last year. We tried to accommodate the Senator from Massachusetts. We had a compromise I was embarrassed to accept in the sense that

a \$1 million exemption is way too high for my background. But I did it because I thought it was important we move this legislation along. We are talking about just preserving in the bill before the Senate a compromise worked out last year that would be law today except for a pocket veto by President Clinton. Otherwise, this Senator from Massachusetts wants to strike that compromise, and he was part of that compromise. I guess I beg him to stick by his compromise.

I yield the floor.

Mr. DOMENICI. I ask consent to speak as in morning business.

THE PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 515 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE TAX CUT

Mr. DOMENICI. Madam President, I speak of the size of the tax cut the President of the United States has asked us to adopt. The occupant of the chair knows the Senator from New Mexico is lucky in that I have a wonderful person at home who asks me a lot of questions about what I am doing. It is a great sounding board. I think the occupant knows that is my wife.

My wife spoke to me about 10 days ago as an average citizen because she and four friends, all of whom were women, stopped by after getting together to have a cup of coffee. There were questions raised by these non-political women—not necessarily Republicans—as to why such a big tax cut? Why can't we wait? She addressed the question to me.

I said I think it is time the American people deserve to be told the size of this tax cut. I have a chart. I don't know if it has been seen on the Senate floor, but it is interesting. The red area indicates \$1.6 trillion as the entire tax cut alongside what we select in taxes during the same period of time. It is most interesting. During the same time we are asking the American people be given back \$1.6 trillion, we will collect \$28 trillion in taxes. Maybe that puts it a little bit more in perspective, that it is not such a giant tax cut in proportion to the taxes America collects.

The green portion of the chart is broken into two. The bottom is individual income taxes, and we have corporate income taxes, and other taxes.

This is what we collect. This from individuals—14, and 28 total. Over 10 years, it isn't such a very large tax reduction.

We might also suggest by way of words that both President Kennedy and President Reagan cut taxes.

Incidentally, both of them—one Democrat and one Republican—cut marginal rates. They reduced the top rates. They reduced both the middle rates and the low rates for the same reason.

President Kennedy was advised that he ought to do it because of the fact the American economy had to be built up and grow and prosper, and one of the things he ought to do as a Federal official was lower the marginal tax rates. Lo and behold, that is what a Democrat President did. He did that without the surplus we have.

Isn't it amazing? We are talking about being sure of everything that is going to happen; that we are going to have enough money to pay down the debt. There were deficits in each year of the tax cut of President Kennedy.

We have a predicted surplus of \$5.6 trillion.

Second, the size of the Kennedy tax cut was twice the size in proportion to the American economy.

Then Ronald Reagan did marginal rate cuts also along with some other things. Congress loaded it up, so to speak. But marginal rates were reduced substantially. That was three times the size of this tax cut.

Our President, with reference to asking for a tax reduction for the American people, has been certainly modest in what he is asking for in comparison to the total taxes.

Second, some people wonder why we do this over 10 years. We want to suggest to the American people that it is permanent, and at the same time, we want to suggest to ourselves the money is not even going to be collected in the second, third, fourth, fifth, and sixth years. It is just staying with the American people. So it won't be around here. It won't be in the budget of the United States. It would have already disappeared from our grasp. We will not have it to spend. The American people will have it in their paychecks, in their profits of small business, which they distribute as individuals. It will go to them.

There is nothing better than doing this, and I say do it as quickly as we can to send a signal to at least the part of the American economy that is not doing well, and a few States aren't doing well. My friend from Ohio, Senator VOINOVICH, was telling me today about Ohio having some real economic problems. It is far different than New Mexico's problems. They need a signal from the Congress and the President that we care about them, that we are concerned about them, and that we are cutting marginal rates so as to give some credibility to our concern about the economic future in many parts of the United States, and, generally speaking, over the next decade, the status of our economy in general so people and families will have a better chance. It will be an important 10 years in terms of job opportunities and con-

sistent paychecks. That is what that is. I hope everybody knows this is a reasonable way to do it.

Maybe we will get around soon to satisfying some who have a little bit of concern about whether we are paying down the debt, and whether we will continue paying it down over time. They are asking for some kind of trigger mechanism. Obviously, this Senator hasn't seen one that will be in place. Yet that will leave the effectiveness of the tax in place. Clearly, I say to those who want a trigger that you can't do a trigger that triggers every year because then the people won't be getting the benefit of this tax cut. They can't buy a car and pay because you only get the tax cut for one year, and that is a "maybe" tax cut. It is not a real tax cut. One year at a time won't work, especially if you want the effect of marginal rates, which means lowering at every level a significant amount, though the lower level is getting a bigger percentage of the reduction.

While I haven't seen any that leave the effectiveness of the tax in place, I am willing to work with Members, the distinguished Senator, Ms. SNOWE, the occupant of the chair, many others, and Democrats working on this issue. I say let's continue working on it. There may be some way to do some collections, but certainly it should not be every year. There should be a broad-based look at this so we look at spending also. We should look at the debt if we are going to be doing it.

That is the conversation I wanted to have about the budget and tax cut.

I want to add to that. It is pretty obvious the Committee on Budget of the Senate, which now has 11 Democrats and 11 Republicans—it should be pretty obvious to everyone that we can't get a bill out of that committee that gives the President an opportunity to have his tax measure considered by the Finance Committee. You understand that the budget resolution just permits it. This makes room for it. In this case, up to \$1.6 billion. It doesn't say you have to pass \$1.6 billion. But we can't do it in the committee because we are tied. On every matter of real substance regarding this budget we are going to be tied.

The taxes are well known by those who have worked with us. If it is in the Budget Committee for a long time, come a certain date—I believe it is April 1—statute of law says if you haven't produced a budget, then you can call one up here. The Parliamentarian is familiar with that as is the occupant of the chair. I haven't given up on the committee doing it. I want to have more conversations. But if we can't come in closer than we are now, I don't intend to have a week's worth of votes pro and con, each one being 11-11, and then pass one 12-10. It isn't going to be very meaningful. I may let

everybody talk for one day, let April 1 arrive, and then call up the budget. We will be working with a number of people on that premise.

BANKRUPTCY REFORM ACT OF 2001—Continued

AMENDMENT NO. 29 AS MODIFIED

Mr. DOMENICI. Now let's get down to tomorrow afternoon and vote because on the bankruptcy bill, the distinguished Senator, Mr. KENT CONRAD, ranking member, put an amendment on with reference to the Medicare trust fund and the Medicare program. This is side by side. There will be another amendment offered by Senator SESSIONS. I believe my staff helped put it together. I was in another meeting. Senator SESSIONS introduced it. I want everybody to know it is, indeed, what I would recommend.

I would like very much tomorrow to make sure all Senators understand that we helped prepare it and are very pleased Senator SESSIONS was on the floor. We will call it the Sessions-Domenici amendment. I want everyone to know, just as a matter of fairness to the distinguished Senator on the Democrat side, Mr. KENT CONRAD, that, in fact, the point of order will be raised. It is not being raised now, but I believe a point of order will be agreed to. That amendment will take 60 votes.

Obviously, on the Sessions-Domenici amendment, it is 60 votes. The Democrat amendment hasn't changed that much. The point of order wouldn't lie against ours, but on ours it would be subject to the same.

I hope the bankruptcy bill will pass—either of them—because they do not belong on the bankruptcy bill.

But, first, let me emphasize that President Bush has made it very clear—I am not quoting, I am paraphrasing—no moneys from the Medicare trust fund will be spent on anything other than Medicare. He said that. He has had various Members testify. There have been serious questions made of the Secretary of Health and Human Services about this trust fund concept that is being raised by Senator KENT CONRAD's amendment.

I asked him clearly: Did the President change his mind? Is there anything new?

No. It is just what it was, and now he looked at hundreds of millions of Americans and said none of the Medicare trust fund money will be used for anything other than Medicare.

As everybody knows, I don't have any intention of bringing a budget resolution to the floor that spends any Medicare money, or on anything other than Medicare. As a matter of fact, Medicare will be fully funded, as it is by the President of the United States.

Having said that, we should be clear on one thing: The Conrad amendment is not about protecting Medicare. That